

Message Text

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10

ACTION EUR-12

INFO OCT-01 EA-07 IO-13 ISO-00 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 (ISO) W

----- 017143

R 270756Z AUG 76

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 8484

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

USMISSION OECD PARIS UNN

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION MTN GENEVA

LIMITED OFFICIAL USE STOCKHOLM 4644

E.O. 11652: N/A

TAGS: ETRD, SW

SUBJECT: SWEDISH GOVERNMENT TO LICENSE SPECIALTY STEEL EXPORTS TO US

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1. MFA OFFICIAL (CURT WIICK) CALLED IN EMBASSY

COUNSELOR TODAY AND HANDED HIM A PRESS RELEASE ANNOUNCING THE INITIATION OF EXPORT LICENSING FOR SPECIALTY STEELS SHIPPED TO THE US. EFFECTIVE DATE WILL BE SEPTEMBER 14. INFORMAL TRANSLATION OF RELEASE GIVEN BELOW.

2. WIICK EXPLAINED THAT GOS AND IRONMASTERS ASSOCIATION (STEEL PRODUCERS GROUP) FEARED THAT SOME OF SWEDISH QUOTA MIGHT BE TAKEN BY OTHER EXPORTERS THAN THE SIX LOCAL COMPANIES WHICH HAVE BEEN NORMALLY INVOLVED IN SELLING SPECIALTY STEELS TO US. IN ORDER TO MAINTAIN THE PAST PATTERN OF SALES AND AVOID "DISTURBANCES" LICENSES WOULD BE USED, ISSUED BY THE BOARD OF TRADE (KOMMERSKOLLEGIUM). THUS THE PRESENT MARKET IN THE US WILL BE PRESERVED FOR THE PRESENT FOR THE SIX PRODUCERS.

3. WIICK EMPHASIZED THAT THIS PROCEDURE WOULD BE LIMITED IN TIME TO THE DURATION OF US QUOTAS. HE HOPED, OF COURSE, THAT RISING LEVEL OF US ECONOMY WOULD PERMIT DISCONTINUANCE OF THE QUOTAS. HE THOUGHT THE GOS MEASURE MIGHT BE CONTRARY TO GATT REGULATIONS BUT REGARDED IT AS ESSENTIAL STEP TO PRESERVE PRESENT TRADE PATTERN IN THE COMMODITIES AFFECTED.

4. GOS WILL BE NOTIFYING GATT, OECD (TRADE COMMITTEE) AND APPROPRIATE SWEDISH EMBASSIES.

5. INFORMAL TEXT OF PRESS RELEASE FOLLOWS: "MEASURES GOVERNING SWEDISH EXPORTS OF SPECIALTY STEEL TO THE USA"

(A) "THE GOVERNMENT ON THURSDAY, AUGUST 26, 1976 DECIDED TO MAKE SUBJECT TO LICENSE EXPORTS OF SWEDISH SPECIALTY STEEL TO THE USA, EFFECTIVE SEPTEMBER 14 UNTIL FURTHER NOTICE. THE IMPLEMENTING REGULATIONS WILL BE ISSUED BY THE BOARD OF TRADE. AS A RULE, COMPANIES WILL RECEIVE LICENSES BASED ON THEIR PAST EXPORTS TO THE USA. THE SPECIALTY STEEL INDUSTRY SHALL BE REQUIRED TO REGULARLY REPORT TO THE BOARD OF TRADE ALL SHIPMENTS TO THE UNITED STATES.

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(B) THE OBJECTIVE OF THE GOVERNMENT'S DECISION IS TO INSURE CONTINUITY OF SWEDISH EXPORTS OF SPECIALTY STEEL TO THE UNITED STATES, TO AVOID DISRUPTIONS OF TRADE, AND TO INSURE THAT THE IMPORT QUOTAS ARE UTILIZED BY THE SWEDISH EXPORTERS.

(C) THE SWEDISH MEASURES NOW INTRODUCED WILL BE LIFTED AS SOON AS THE US IMPORT RESTRICTIONS ARE DISCONTINUED.

(D) IN A COMMENT TO THE DECISION, COMMERCE MINISTER CARL LIDBOM STATED THAT THE US GOVERNMENT HAD UNILATERALLY INTRODUCED RESTRICTIONS ON IMPORTS OF SPECIALTY STEEL FROM, AMONG OTHER COUNTRIES, SWEDEN ON JUNE 14, 1976. DURING THE NEGOTIATIONS PRECEDING THE DECISION SWEDEN HAD DECLARED TO THE US GOVERNMENT DIRECTLY AS WELL AS IN VARIOUS INTERNATIONAL ORGANIZATIONS THAT SWEDEN DID NOT CONSIDER THE RESTRICTIONS TO BE JUSTIFIED. SWEDEN REGARDED THE RESTRICTIONS AS A VIOLATION OF INTERNATIONAL REGULATIONS AND COULD THUS NOT PARTICIPATE IN THE PROPOSED AMERICAN AGREEMENT ON RESTRICTING IMPORTS. SWEDEN WOULD SEEK TO BRING ABOUT A TERMINATION OF THOSE RESTRICTIONS AS SOON AS POSSIBLE.

(E) THE US IMPORT RESTRICTIONS ARE APPLIED IN SUCH A MANNER THAT SHIPMENTS ARE COUNTED AGAINST IMPORT QUOTAS ON A "FIRST COME-FIRST SERVED" BASIS. THIS MIGHT LEAD TO DISTORTIONS AND DISRUPTIONS OF THE TRADITIONAL SWEDISH EXPORTS OF THE PRODUCTS IN QUESTION TO THE USA, UNLESS MEASURES ARE TAKEN BY THE SWEDISH GOVERNMENT."

SMITH

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Message Attributes

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Draft Date: 27 AUG 1976
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
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Margaret P. Grafeld
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